United Nations A/70/161

General Assembly

Distr.: General
21 July 2015

Original: English

Seventieth session
Item 28 (b) of the provisional agenda*
Social development: social development, including questions relating to the world social situation and to youth, ageing, disabled persons and the family

Cooperatives in social development

Report of the Secretary-General

Summary

The present report is submitted in response to General Assembly resolution 68/133. It highlights the potential of cooperatives to contribute to achieving the sustainable development goals. It reaffirms the role of cooperatives as sustainable and successful business enterprises that contribute directly to employment generation, poverty eradication, equality, social inclusion and people's empowerment. The report also presents the main challenges facing cooperatives and highlights the activities of the United Nations system and its partners in promoting cooperatives. The report concludes with policy recommendations for the further advancement of cooperatives.

* A/70/150.

15-12232 (E) 250815

Please recycle

I. Introduction

1. In its resolution 68/133, the General Assembly recognized that cooperatives, in their various forms, promote the fullest possible participation in the economic and social development of all people, including women, youth, older persons, persons with disabilities and indigenous peoples. The Assembly, recognizing the important contribution and potential of all forms of cooperatives to the follow-up to the United Nations conferences, requested the Secretary-General to submit at its seventieth session a report on the implementation of the resolution.

2. The present report focuses on the role of cooperatives in the implementation of the sustainable development goals. It also highlights the challenges facing cooperatives and the activities and initiatives launched by the United Nations system and its partners to leverage the advantages of the cooperative model.

II. Advantages of the cooperative model

3. In the outcome document of the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, entitled "The future we want", endorsed by the General Assembly in its resolution 66/288, Member States acknowledged the role of cooperatives in contributing to social inclusion and poverty reduction, in particular in developing countries. They called for developing strong agricultural cooperatives and value chains and for encouraging the private sector to contribute to decent work and green job creation for both women and men, and for youth, in particular, including through partnerships with small and medium-sized enterprises and cooperatives. The unique advantages of cooperatives as business enterprises make them active agents for inclusive development.

A. Principles and values of cooperatives

4. Cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. As a business model, cooperative enterprises are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. All cooperatives adhere to seven principles that serve to put their values into practice: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community.

5. As values- and principles-based enterprises, cooperatives inherently prioritize, over short-term profit, the long-term needs of their members, whether they are workers, producers, consumers of goods and services or clients of the business. By bringing economic resources under democratic control, cooperatives work towards the well-being of all rather than the financial gain of a few, and focus on the sustainable development of the communities in which they operate and serve their members. As a result, the cooperative business model brings the advantage of long-term sustainability to enterprises, an advantage that was demonstrated by the resilience of cooperative financial institutions in the aftermath of the global financial and economic crisis. The concern of cooperatives for the community also renders

them agents of sustainable development that will not sacrifice the natural environment or social justice for the pursuit of profits.

B. Cooperatives as active agents for sustainable development

6. The emerging contours of the post-2015 development agenda emphasize a people-centred and integrated approach and the collective nature of its initiatives to tackle global challenges. Cooperative enterprises can make vital contributions to forging a collective spirit. They are naturally an essential part of the collaborative partnership that will be required to implement such an agenda.

7. Cooperative enterprises often serve the socially excluded and vulnerable sections of the population that profit-driven businesses tend to neglect. They are therefore important for the support of socially inclusive policies that drive inclusive development.

8. Cooperatives have contributed to the progress made towards achieving the Millennium Development Goals. In terms of eradicating extreme poverty and hunger, cooperatives provide jobs and secure livelihoods for millions of people around the world. According to the United Nations Global Census on Cooperatives, published in 2014, one in every six people globally is a member or client of a cooperative and 2.6 million cooperatives employ a total of 12.6 million people. Primary education has become more accessible today, in part because cooperatives have raised family income and invested in school infrastructure.

9. By their very nature, cooperatives play a triple role: as economic actors they create opportunities for jobs and livelihoods; as social organizations based on a common goal and the principle of solidarity, they extend social protection and security and contribute to equality and social justice; and as democratically controlled associations of individuals, they play a constructive role in communities and nations, society and politics. The three roles are intertwined and together form the foundation that enables cooperatives to be active agents of change in support of sustainable development.

III. Role of cooperatives in achieving the sustainable development goals

10. The global consultative process to elaborate the post-2015 sustainable development agenda indicates that the agenda aims to build a world in which people, prosperity, collaborative partnerships and poverty eradication, as well as the good stewardship of the planet, are the main priorities. The associated sustainable development goals that Member States are developing will ensure that no one is left behind and that a sustainable planet will exist for present and future generations. Cooperatives can make important contributions towards the implementation of the agenda.

A. Ending poverty and hunger

11. Experience shows that development is not sustainable if it leaves some members of society in poverty. Building on the Millennium Development Goals, the

post-2015 sustainable development agenda places the eradication of poverty and hunger at its centre.

12. Cooperatives, backed by the values of self-help, self-responsibility and solidarity, improve the socioeconomic situation of their members and the communities in which they operate. Cooperative enterprises help to identify economic opportunities for people living in poverty, empower people to defend their own interests and encourage individuals to participate in decision-making processes that concern them. By reducing deprivation in many dimensions, they help their members to move themselves out of poverty.

13. Cooperatives also provide economic security by converting individual economic risk into collective risk. Shared risk can increase access to financial capital, particularly in the case of savings and credit cooperatives. In Kenya, for example, savings and credit cooperatives help to pull people out of poverty by offering affordable loans to their members to invest in projects for the social good, cover school fees, build homes and buy land and household supplies.[1]

14. Hunger and poverty plague the lives of many people living in rural areas. Smallholder farmers, while food producers themselves, often suffer food insecurity and poverty, especially when faced with adverse weather conditions or health emergencies. Support to such farmers, therefore, is critical for addressing hunger and poverty. Agricultural and food cooperatives provide support and market access to smallholder farmers to help them to achieve food security and exit poverty and provide employment and income for many people in rural areas. When smallholder farmers pool their efforts through cooperatives, they are better able to access such resources as credit, land, input (seeds and fertilizer), technology and insurance, resulting in greater agricultural yields and more food available to members of the cooperatives and the wider community. Cooperatives also improve the access of farmers to local and international markets, helping them to raise their income.[2]

15. The potential of cooperatives to help in the global fight against hunger and poverty is great. The Global Census on Cooperatives reports that, globally, there are more than 1.2 million agricultural cooperatives, with more than $134 billion in total assets and more than 122 million members and clients.

16. Cooperatives ensure both physical and economic access to sufficient, safe and nutritious food. Dairy cooperatives, including the Githunguri Dairy Farmers Cooperative Society, in Kenya, the Societé des éleveurs de vaches laitières de Foumbot, in Cameroon, and the Coopérative agricole et agroalimentaire, in Morocco, have been quite successful in Africa. By making milk available, such cooperatives contribute to the diversification of the household food supply. They also secure markets for milk at better prices, finance milk processing plants through loans,

[1] Frederick Wanyama, Patrick Develtere and Ignace Pollet, "Encountering the evidence: cooperatives and poverty reduction in Africa", in *Journal of Cooperative Studies*, vol. 41:3, No. 124 (2008).

[2] See Food and Agriculture Organization of the United Nations, *The State of Food and Agriculture: Innovation in Family Farming* (Rome, 2014).

grants and partnerships, process milk to add value and increase income and support the production, collection and transportation of milk.[3]

17. A number of major grain marketing cooperatives in Africa are helping to raise rural income and achieve food security, including in, Ethiopia, Mali, Niger, Rwanda and Uganda.[4]

18. Cooperatives also preserve indigenous food crops and help indigenous people to conserve resources for tackling food insecurity and poverty. In Argentina, a cooperative helps farmers to cultivate, process and market indigenous potatoes and operates a museum and small restaurant to promote traditional livelihoods.

19. While agricultural cooperatives contribute directly to the reduction of poverty and food insecurity, financial cooperatives play a key role in financial inclusion, a critical component of the poverty eradication strategy. Cooperative financial institutions generally serve people with limited incomes who are not reached by commercial banks, and extend credit and savings services to other individuals and to micro-entrepreneurs who are not able to secure such services from commercial banks. Cooperative and mutual insurers are leading the development of microinsurance to cater to people living in poverty around the world.

20. Credit unions are extending financial inclusion worldwide. An estimated 27.3 per cent of the world's insurance market is served by cooperatives.[5] Kenya is one country in which cooperatives play a key role in financial inclusion, although still on a small scale. Of the 184 licensed savings and credit cooperatives in that country, 73, or 40 per cent, are run by farmers and located in rural areas that lack financial services. These farmer-run cooperatives have 1.5 million members, representing 50 per cent of all members of financial cooperatives, and 1.4 million members, or 92 per cent, had secured loans.[6]

21. According to the Global Census on Cooperatives, there are more than 212,000 cooperative banks and credit unions globally, with more than 704 million members, close to 2.5 million employees and some $168 billion in annual gross revenue.

22. Cooperatives are actors for equality in providing access to basic resources that are critical to poverty eradication, such as water, sanitation and energy. They are essential in many remote communities in which providers have been unwilling to invest in infrastructure to connect rural households to the electrical grid. Through the cooperative model, people are able to organize themselves and jointly invest in infrastructure to meet their own needs. For example, more than 70 rural electric cooperatives in Bangladesh connect about 47,650 villages, 170,000 rural irrigation pumping stations and 30 million people to the electric grid, with more than

[3] Chiyoge B. Sifa, "Role of cooperatives in agriculture in Africa: role of cooperatives in agricultural development and food security in Africa", paper presented at the United Nations Expert Group Meeting on the Role of Cooperatives in Sustainable Development: Contributions, Challenges and Strategies, Nairobi, 8-10 December 2014.

[4] Ibid.

[5] International Cooperative and Mutual Insurance Federation, "Global mutual market share 2013" (Bowdon, United Kingdom of Great Britain and Northern Ireland, 2015).

[6] Nelson Kuria, "The role of cooperatives to sustainable development: contributions, challenges and strategies — cooperatives and financial inclusion", paper presented at the United Nations Expert Group Meeting on the Role of Cooperatives in Sustainable Development: Contributions, Challenges and Strategies, Nairobi, 8-10 December 2014.

219,000 km of distribution lines in areas in which service was not previously available.

23. The cooperative model is more successful than traditional models in delivering insurance services to a low-income population. The principle of service to the community by cooperatives has the power to transform the conditions of people living in poverty and enable them live a dignified life, free from poverty and hunger, and able to withstand shocks when they occur, by providing financial services and resources.

B. Securing education, health and basic services for all

24. Such basic services for all as health care and education are vital for sustainable development. Without access to such services, large segments of the population will not be capable of effective participation in development, undercutting future growth.

25. The contributions of cooperatives to social development have had significant impact in the areas of education, health care and housing by providing members with the income to access services and opportunities in those areas in many parts of the world. Cooperatives are also important sources of social protection systems through which members enjoy access to health care, playing an important role in the delivery of health care services and the provision of health insurance, including home-based services and microinsurance for health care. Some countries have cooperative pharmacies, clinics and hospitals.

26. Cooperatives have contributed to improved health outcomes. Health cooperatives in Benin, Canada, Japan, Nepal, Sri Lanka and the United States of America, among other countries, provide health-care services that reduce maternal and child mortality. Cooperatives in many African and Asian countries have played a significant role in raising HIV/AIDS awareness and facilitating access to health care for people living with HIV/AIDS.

27. Health cooperatives serve more than 100 million households worldwide, and some 170 million people receive social protection coverage from mutual associations.[7] More than 125 medical cooperatives serve some 3 million patients in Japan. Canada and the United States have many health-care cooperatives that serve millions of people and employ many.[8] In Benin, more than 500,000 members receive health-care coverage from a savings and credit cooperative federation, which provides both financial services and affordable microhealth and life insurance.[9] In Brazil, 351 medical cooperatives are joined together in a cooperative, with a total of 110,000 physicians providing health services to 20 million clients. Health cooperatives serve

[7] Bénédicte Fonteneau and others, *The Reader 2011: Social and Solidarity Economy: Our Common Road towards Decent Work*, 2nd ed. (Turin, International Training Centre of the International Labour Organization (ILO), 2011).

[8] William L. Oemichen, "Health care cooperatives and consumer-governed health care", paper presented at the Consumer-Owned Private Health Insurance Plans Conference, April 2011.

[9] ILO, "Cooperatives and rural employment", fact sheet, No. 1 (Geneva, 2007).

500,000 people, or 15 per cent, of the population in Costa Rica. In Colombia, 907,000 people receive health-care services through the SaludCoop cooperative.[10]

28. Cooperatives improve educational opportunities not only by securing the livelihoods and income of their members, but also by providing direct access to education in the form of loans to families for school fees, the reinvestment of profits or fair trade premiums into educational infrastructure and supplies, continued education classes for adults or the construction of schools where none exist. In the United Republic of Tanzania, for example, the Mugeza secondary school was started by a cooperative union in a remote area in the hills above Lake Victoria. The cooperative has supported parents by paying half the school fees and has made large payments to the school itself for buildings and infrastructure.[11]

C. Achieving gender equality and empowering women and girls

29. Gender equality and the empowerment of women and girls is another area of focus of the emerging sustainable development agenda. It will not be possible to achieve progress in any other area if half the world's population is denied equal rights and opportunity.

30. As enterprises created by people for people, cooperatives enshrine social sustainability and equality at the heart of their activities. Cooperatives are especially suited to empowering women, who make up a large part of their membership. Guided by the principles of voluntary and open membership, cooperatives open their doors to all those willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination. Cooperatives make a positive impact on the livelihoods of women and girls by providing access to employment, decent work conditions, participation in leadership and social benefits.

31. Cooperatives provide access to economic and educational opportunities for women and girls. They facilitate the participation of women in the labour market and provide flexible working hours, childcare services and a proper balance between work inside and outside the workplace. They include women in decision-making on an equal footing with men.

32. In cooperatives, women benefit not only from economic empowerment and improvements to their well-being, but also from the political empowerment that stems from an enhanced capacity for networking, advocacy and leadership. Many cooperatives are owned and led by women. In India, the Self-Employed Women's Association provides employment through the creation of cooperatives owned and run by its 2 million women members. Women can also play leadership roles in cooperatives whose membership includes both men and women. In the world's top 500 companies, women hold only 2.6 per cent of leadership positions, but they hold 13.6 per cent of those positions in cooperatives and the mutual insurance sector. Women's membership in cooperatives is often elevated compared with that in other enterprises. For example, 49 per cent of worker cooperative members in Spain are

[10] Jürgen Schwettman, "The social/solidarity economy: draft for discussion prepared for the ILO cooperative", Mimeo, paper presented at the second World Forum of Local Economic Development (2013).

[11] Johnston Birchall and Richard Simmons, *Cooperatives and Poverty Reduction: Evidence from Sri Lanka and Tanzania* (Manchester, United Kingdom, The Cooperative College, 2009).

women, according to the Spanish Confederation of Worker Cooperatives and 39 per cent have directorial positions, compared with 6 per cent in other enterprise models.

33. Finally, cooperatives of domestic workers are playing an increasing role in empowering women who have vulnerable employment. According to the International Labour Organization (ILO), more than 80 per cent of the estimated 50 million domestic workers worldwide are women, and cooperatives are increasingly providing a way for them to organize to protect their rights and improve their working conditions.

D. Combating inequalities

34. Inclusive and sustainable development will not be possible without a meaningful degree of equality. In highly unequal societies, efforts towards sustainable development are frustrated by the many challenges presented by inequalities in income, access to essential social services and opportunity. Inequality reinforces poverty, resulting in high levels of social exclusion and tension that destabilize society and undermine economic growth. Indeed, experience has shown that highly unequal societies, in terms of income, tend to grow more slowly than those with less inequality. They are also less successful in sustaining growth over the long term and recover more slowly from economic downturns. Inequality also generates social tensions and creates fertile ground for political instability and conflict. Combating inequality is thus not only a moral imperative, but a prerequisite for sustainable development.

35. The millions of cooperatives around the world are forces for sustainable development with their focus on equality. The cooperative business model offers a pathway towards economic, social and political justice.

36. Equality is inherent in genuine cooperatives. The equal distribution of benefits directly addresses the income inequality that often underlies other types of inequality, including access to services and opportunity. Cooperatives promote equal status, rights and opportunity through the manner in which they operate, which includes a great emphasis on fairness and impartiality, further reinforcing the positive contribution of income equality to social and economic development. Examples of the role of cooperatives in promoting equality can be found in the sections of the present report that address poverty, gender equality and inclusive development.

E. Fostering inclusive economic growth and shared prosperity

37. Realizing the vision of sustainable development beyond 2015 requires a strong economic foundation, namely sustained and inclusive economic growth to achieve prosperity for all people. Cooperatives can make a difference in that context.

38. Cooperatives are powerful economic actors with $20 trillion in cooperative assets generating $3 trillion in annual revenue. The share of cooperatives is estimated at 32 per cent in the global agricultural market and 27.3 per cent in the global insurance market.

39. Cooperatives have proven more resilient in times of economic and financial crisis than their corporate counterparts, making critical contributions to sustain overall economic growth. During the financial crisis of 2008, cooperative banks,

credit unions, savings and credit cooperatives and mutual and cooperative insurers proved to be more stable and resilient than their non-cooperative peers. Indeed, in some cases, cooperatives bought struggling commercial banks.

40. Cooperatives lend themselves to protecting workers rights and addressing market failures. They are enterprises through which people address common needs and aspirations by undertaking joint initiatives. They are, therefore, both associative and entrepreneurial. The associative dimension offers the powerful potential of being an association of persons who freely decide to work together to solve common problems. This dimension offers development potential that goes well beyond the entrepreneurial component, lending support to sustained, inclusive and equitable economic growth that is fundamental to achieving a future of shared prosperity.

41. Cooperatives are more open to addressing labour standards, decision-making and workplace democracy. At the same time, they enable entrepreneurs to generate economies of scale, increase efficiencies along the value chain, improve the quality and value-added nature of products, increase access to capital and gain substantial bargaining power through collective action. Cooperatives use participatory approaches among workers and members for producing goods and services and for sharing benefits. They are inherently oriented to social and economic inclusion.

42. Cooperatives contribute to economic diversification and reach the most excluded sections of the population with the goods and services necessary for inclusive development. They are active in critical areas that are inadequately attended to by the private and public sectors, including housing, day-care services, legal aid, health care, care for older and disabled persons and education services.

43. A deficit in the availability of decent work remains a critical challenge for all countries. At present, many people in developing countries work in the informal sector, with precarious employment, low pay and poor working conditions, making it harder for countries to eradicate poverty. In developed countries, non-standard contract and involuntary flexible or part-time employment are on the rise, enlarging the deficit of decent work. Cooperatives have the potential to generate decent jobs and promote social dialogue.

44. As employers, cooperatives pay competitive wages, increase income through profit-sharing and the distribution of dividends and other benefits and establish such community facilities as health clinics and schools.[12] They offer high-quality job opportunities for youth, women, indigenous people, people with disabilities and other marginalized groups. Importantly, employment in cooperatives is less likely to be affected by cyclical downturns. Cooperatives, as a sector, employ a significantly large number of people in many countries. In the United States and Europe, approximately 1.5 million and 5.3 million people, respectively, are employed in cooperatives. Some 900,000 people in Ethiopia earn their income from cooperatives[13] and some 4 million

[12] John Logue and Jacquelyn Yates, "Productivity in cooperatives and worker-owned enterprises: ownership and participation make a difference!", background paper prepared for *World Employment Report 2004-05: Employment, Productivity and Poverty Reduction* (Geneva, International Labour Office, 2005).

[13] Teigist Lemma, "Growth without structures: the cooperative movement in Ethiopia", in *Cooperating out of Poverty: the Renaissance of the African Cooperative Movement*, Patrick Develtere, Ignace Pollet and Fredrick Wanyama, eds. (Geneva, International Labour Office and World Bank Institute, 2008).

farmers in Egypt earn their income from agricultural cooperatives.[14] To leverage the strength of cooperatives in fostering shared prosperity to counter rising inequality, national Governments need to enable the growth of cooperative enterprises.

45. The Caribbean has a high concentration of cooperatives within relatively small populations. In the Caribbean subregion of the Organization of Eastern Caribbean States alone, there were 295 cooperatives, with more than 300,000 members, in 2013. The cooperatives perform a cardinal role, making important contributions to those countries' socioeconomic development. Their role and contributions have increased in absolute and relative terms since their inception in the 1940s.[15]

F. Protecting the planet, fighting climate change and using natural resources sustainably

46. The achievement of the sustainable development goals is threatened by climate change and environmental degradation. Safeguarding the environment and using natural resources properly are imperative for sustainable development.

47. Adhering to the values of good stewardship of the natural environment and care for community, cooperatives have integrated the goal of environmental sustainability into their objectives and can play an active role in caring for the environment. Cooperatives have the ability and institutional mechanisms to mobilize large numbers of people to respond to environmental degradation. They also have the ability to educate and raise awareness in order to promote more sustainable production and consumption patterns and achieve economies of scale in promoting green technologies among members and clients.

48. Environmental cooperatives work to sustain and manage such resources as forests and water and many cooperatives seek to diversify their economic activities through such environmentally sound initiatives as renewable energy. Cooperatives are embedded in the communities that own them, direct them and create them. They contribute to achieving socially inclusive and environmentally friendly development through their operations. They are dedicated to helping individuals adopt more sustainable patterns of consumption. Renewable energy cooperatives, for example, offer consumers a local option for clean energy while pursuing sustainable production and investing in socially and economically sustainable development. Food cooperatives promote consumption patterns with a lower carbon footprint.

49. Cooperatives participate in the recycling of waste and materials and in the generation of renewable energy. Energy cooperatives are active in many countries including Denmark, the United Kingdom of Great Britain and Northern Ireland and the United States. Cooperatives in Brazil are helping to develop new approaches to biofuel production. Canada had 70 renewable energy cooperatives in 2011. In Denmark, 23 per cent of wind power was produced by cooperatives in 2004.[16] Renewable energy

[14] Mohamed H. Abdel Aal, "The Egyptian cooperative movement: between State and market", ibid.

[15] Cecil Ryan, "Strengthening the role of co-operatives in sustainable social development: challenges and strategies", paper presented at the United Nations Expert Group Meeting on the Role of Cooperatives in Sustainable Development: Contributions, Challenges and Strategies, Nairobi, 8-10 December 2014.

[16] International Labour Office Cooperatives Unit and Green Jobs Programme, *Providing Clean Energy and Energy Access Through Cooperatives* (Geneva, International Labour Organization, 2013).

cooperatives in Germany are making considerable contributions to the country's energy transition. A cooperative in Kenya leveraged the solar resources in abundance in the area to generate solar energy, providing clean and safe energy while lifting members out of poverty. There was also improvement in examination results at Kyaka Primary School, which received electricity through the cooperative.[17]

50. Many developing countries struggle to make clean water available to its citizens owing to a lack of delivery capacity. Cooperatives are stepping in to fill the void. In the city of Santa Cruz de la Sierra, Bolivia, for example, one of the world's largest cooperatives serves 1.2 million people out of a population of 1.6 million.[18]

51. Cooperatives provide a forum in which people can collaborate on solutions to environmental challenges, manage resources responsibly and diversify into eco-friendly economic activities. The International Cooperative Alliance has reported that a group of teak farmers in the Konawe Selatan district of Indonesia partnered with the Forest Trust and Jaringan Untuk Hutan in 2003 to organize a cooperative. With training from the organizations in livelihood strategies, community organizing and the technical aspects of forest management and wood processing, the farmers received Forest Stewardship Council certification and are now producing certified sustainable teak for the international furniture market.

52. In many countries and sectors of activity, cooperatives are in the forefront of environmental sustainability. The Midcounties Cooperative in the United Kingdom recently received the Queen's Award for Enterprise in sustainable development. In the Nordic countries, cooperative-owned brands are ranked among the most sustainable, including the top three brands in Denmark, the second-ranked in Sweden, the fourth in Finland and the fifth in Norway.[19]

G. Strengthening governance and promoting peaceful, safe, just and inclusive societies

53. Peaceful and inclusive societies with responsive institutions are essential preconditions for sustainable development. Cooperatives contribute to good governance in ways that are built into the nature of cooperatives, namely, dialogue among members, workers and community residents, equal voting rights and representation, accountability, trust and social cohesion and the nurturing of relationships among stakeholders in the development process. Cooperatives support their members to enable them to voice their viewpoints and influence the policymaking processes within the cooperatives themselves and the wider society.

54. Cooperatives are forces for building social capital, fostering a strong sense of community, participation, empowerment and inclusion among members and restoring interpersonal relationships through collaboration. Cooperatives in Rwanda, for example, are contributing to rebuilding their country after the civil war. Through democratic governance, cooperatives also provide a model for fairness, transparency and accountability. The Self-Employed Women's Association in India is an example

[17] Chiyoge B. Sifa, "Cooperatives and environmental development: successes and challenges", paper presented at the United Nations Expert Group Meeting on the Role of Cooperatives in Sustainable Development: Contributions, Challenges and Strategies, Nairobi, 8-10 December 2014.

[18] Carla Ranicki, International Cooperative Alliance, "Clean water, cooperative principles".

[19] Sustainable Brand Insight, *Sustainable Brand Index, 2015*.

of the capacity of cooperatives for peacebuilding. During the 2002 communal riots in India, and in their aftermath, the Association provided much-needed relief to displaced riot victims, operating four camps, providing women with access to basic health care, childcare and counselling and generating employment for 805 women.

55. Cooperatives are institutions for learning and practising the values of democracy, solidarity, participation, inclusion, responsibility and accountability, elements that are essential for building peaceful, safe and inclusive societies.

H. Revitalizing global partnerships for sustainable development

56. Achieving sustainable development goals will require the engagement of all actors. Such engagement has been supported by an open and participatory process within the United Nations to elaborate the post-2015 development agenda and the related sustainable development goals. The cooperative sector will undoubtedly be a key partner in the realization of the sustainable development goals, once they are adopted.

57. Cooperatives at the regional, national and global levels will play an important role in global efforts to coordinate the follow-up and implementation of the sustainable development goals.

58. The international cooperative movement recently affirmed its commitment to supporting sustainable development in the outcome document of the second International Summit of Cooperatives, held in Quebec City, Canada, from 6 to 9 October 2014. In the document, the cooperative movement pledged to support international efforts to achieve food security, reduce poverty, eradicate hunger worldwide, create good quality jobs, foster access to health care and services, achieve universal access to financial services and contribute to the formation of a scientific community that will serve the long-term interests of sustainable development.

59. Globalization has increased the opportunity for cooperatives to reach overseas markets, including through partnerships that bridge the gap between Governments and cooperatives. Strong policies can increase the competitiveness of cooperatives in the marketplace and help cooperatives to reach new and more distant markets. Cooperative enterprises have contributed to global partnerships for development through, for example, their engagement with fair trade initiatives in developing countries that provide producers with markets that value fair prices, decent working conditions and ethical production and consumption.

IV. Challenges facing cooperatives

60. The many benefits and contributions of cooperatives to sustainable development notwithstanding, obstacles persist. To effectively leverage the advantage of cooperatives for the realization of the sustainable development goals, such challenges must be overcome.

A. National legislation and policy frameworks

61. For cooperative enterprises to thrive, they require an enabling policy environment, including a legal framework. In many countries, because of a lack of understanding or awareness about the cooperative model, enabling legislation for cooperatives is insufficient or non-existent, hindering the realization of their economic, social and environmental benefits. People may also be discouraged from creating cooperative enterprises if the legal and policy frameworks are overly complicated, insufficient or disadvantageous. An important aspect of a supportive legal framework involves ensuring that cooperative legislation underpins and protects the cooperative identity.

62. The development of a strong, sustainable, democratic cooperative movement relies heavily on the degree to which the policies and regulations imposed by local and national Governments are empowering. In some countries, cooperative policies, laws and support institutions are not conducive to the emergence and proper functioning of genuine, democratically controlled and economically viable cooperatives. Substantial progress has been made since the mid-1990s, but more work needs to be done.

B. Awareness-raising

63. Because cooperatives are locally rooted enterprises, their benefits are not necessarily known beyond the communities in which they operate, hindering their growth. In addition, information about cooperatives can be inconsistent, as some countries or institutions incorrectly define or identify cooperatives as non-profit organizations rather than viable enterprises.

64. Awareness of cooperative values and principles and the cooperative business model needs to be raised to increase support for further growth. One measure would be to integrate information about cooperatives systematically into school curricula, from primary school to the university level and other forms of education programming. The training and education of members and of public authorities, teachers and other partners is fundamental for the development of cooperatives, especially in developing countries.

C. Capacity-building

65. Maximizing the contribution of cooperatives to the implementation of the sustainable development goals will require tools and knowledge. Given the geographic, cultural, linguistic and societal differences among cooperatives, the existing capacity-building resources for access to financial capital in remote areas and high-quality management training modules in specific languages are insufficient. The diversity of the cooperative movement is one of its greatest strengths, but it also presents a challenge in ensuring that all cooperatives have the tools they need to flourish.

66. The management of cooperatives also presents a challenge. Cooperative members are consumers, farmers, fishers, informal economy operators, artisans and other types of workers. Smaller cooperatives cannot afford to hire professional managers and must rely on the skills of elected leaders, who may excel at their trade

but may not have managerial skills. Training, education and appropriate advisory and support services to build capacity are essential.

D. Danger of mission drift

67. The cooperative identity based on democratic member control is not fully implemented, and the drive for profit maximization is, in some cases, leading to the erosion of the cooperative identity. Cooperatives have challenges that are specific to their business model of ownership and control. They are both an association and an enterprise. If one of those dimensions does not work effectively, the cooperative may fail to deliver on its promise. Thus, the challenges for cooperatives are twofold: as associations, the challenges relate to collective action, decision-making, conflict resolution and alliance-building, while as enterprises, they relate to efficiency, innovation and entrepreneurial skills.

E. Consistent data to support evidence-based research

68. Although ample information on cooperatives exists, obtaining consistent, harmonized and complete data remains a challenge. Since the legal context for cooperatives varies across countries, the types of information collected differ, as do the collection methods, leading to an incoherent body of research. In addition, evidence-based research is not available for some of the many sectors or countries in which cooperatives operate. Information of interest may also not be tracked, including contributions to food security, non-economic activities of cooperatives or disaggregated data by age and gender of employees and members. To better assess the impact of the cooperative movement on sustainable development and to promote the development of cooperatives, consistent data collection for evidence-based research is a priority.

V. Activities to promote the cooperative model

A. United Nations system

1. Department of Economic and Social Affairs

69. The Department of Economic and Social Affairs organized the Expert Group Meeting and Workshop on Cooperatives, held at the United Nations Office at Nairobi from 8 to 10 December 2014, on the theme "The role of cooperatives in sustainable development for all: contributions, challenges and strategies". More than 40 experts on cooperatives, representatives of cooperatives and Governments and United Nations agencies participated. The meeting contributed to capacity-building for practitioners and policymakers in the cooperative sector in Africa, while raising awareness of how best to leverage the cooperative model as a viable means of sustainable development.

70. Under the leadership of the Department, with support from Rabobank, the first-ever Global Census on Cooperatives was completed in 2014. Its publication marked the first time that a broad-based database on cooperatives had been

compiled, initiating a process to improve data coverage and consistency in order to strengthen evidence-based research and policymaking.

71. To further raise awareness, the Department produces three newsletters each year and organizes the International Day of Cooperatives celebration at United Nations Headquarters in partnership with Member States, cooperatives and specialized agencies. The Department has also established a social media presence to promote cooperatives.

72. In the area of capacity-building, the Department has been assisting the Government of Lesotho in promoting the growth of financial cooperatives. The Government, requested the Department to provide technical assistance in formulating national legislation on financial cooperatives. The project represents a logical next step in the support that has so far been provided by the Department to the Government in promoting cooperatives as an important tool for poverty reduction. Beneficiaries of the project will be staff from the Government's department of cooperatives, who will gain greater awareness and knowledge about the functioning of financial cooperatives and a strengthened capacity to monitor and evaluate their activities through newly developed legislation.

73. The Department is also a member of the Inter-Agency Task Force on Social and Solidarity Economy and the International Committee for the Promotion and Advancement of Cooperatives. It uses every opportunity to integrate the cooperative model into policy discussions in its support to such intergovernmental processes as the post-2015 development agenda, the sustainable development goals and the United Nations Conference on Housing and Sustainable Urban Development (Habitat III).

2. Food and Agriculture Organization of the United Nations

74. In supporting and strengthening cooperatives, the Food and Agricultural Organization of the United Nations (FAO) focuses its activities in the following key areas:

(a) Capacity-development activities that aim to build the technical, managerial and leadership skills of individuals within cooperatives and strengthen the organizational capacities and performance of cooperatives;

(b) Assisting member Governments to foster an enabling environment for cooperatives to form, develop and thrive, including developing transparent and sound regulatory and legal frameworks and a climate conducive to investment, as well as facilitating the creation of consultation frameworks and policy dialogue spaces between Governments and various stakeholders;

(c) Enhancing the ability of cooperatives to effectively participate in policy dialogue processes and advocate for their members in such decision-making forums at the global, national and regional levels as the Global Dialogue on Family Farming, the Second International Conference on Nutrition, Committee on World Food Security sessions and side events, the International Symposium on Agroecology for Food Security and Nutrition and FAO technical committees;

(d) Sharing information and good practices on cooperatives and producer organizations with wider audiences.

The State of Food and Agriculture: Innovation in Family Farming, an FAO flagship publication, in particular, spotlights the role of innovation in family farming,

underlining how agricultural cooperatives can help farmers to boost their capacity to innovate by facilitating access to technologies, information and contacts with research institutions.

3. International Labour Organization

75. The International Labour Organization (ILO) involves cooperatives in its deliberations. The cooperative movement was well represented at the 103rd session of the International Labour Conference, 2014, in the meeting of Committee on Facilitating Transitions from the Informal to the Formal Economy. The cooperative model was mentioned in the conclusion of the meeting.

76. ILO has been involved in a series of policy discussions in Rome, Berlin and Brussels on the sustainable development goals as part of its joint initiative with the International Cooperative Alliance to highlight the role of cooperatives for sustainable development.

77. ILO is active in promoting research on cooperatives, publishing a report entitled *Cooperatives and the Sustainable Development Goals: a Contribution to the Post-2015 Development Debate*, which included policy and survey briefs. ILO also held two webinars as part of the Basel Convention webinar series and published a report on the theme "Tackling informality in e-waste management: the potential of cooperative enterprises". The organization has published a report on the theme "Cooperatives and the world of work" and two policy briefs on domestic worker cooperatives and gender. It has also produced several blog entries and feature articles as part of a series. An ILO study and workshop focused on the potential of domestic worker cooperatives in the Middle East: The organization published a special issue of the *International Journal of Labour Research*, entitled *Trade Unions and Worker Cooperatives: Where Are We At?*, and lessons for trade unions, entitled *Job Preservation through the Creation of Worker Cooperatives: an Overview of International Experiences and Strategies*.

78. ILO has provided capacity-building tools and opportunities, such as My.Coop, the Social and Solidarity Economy Academy and *Guidelines for Cooperative Legislation*. It also supports the transformation of women's agricultural development groups engaged in the sector of aromatic and medicinal plants into cooperative enterprises in Tunisia; the capacity-building of farmers and vulnerable groups (youth and women, in particular) through cooperative and entrepreneurship development in the United Republic of Tanzania; and awareness-raising activities in Kyrgyzstan for trade unions on the role of cooperatives as a path towards formalization.

4. Committee for the Promotion and Advancement of Cooperatives

79. The Committee for the Promotion and Advancement of Cooperatives promotes and raises awareness about cooperatives. It served as the secretariat for the organization of the International Day of Cooperatives in 2015 and is working to develop its outreach by building a media distribution list for event invitations and information diffusion. It has a social media presence to increase its reputation as an expert and advocate for cooperatives and it has explored the possibility of integrating a forum into its website to provide an online space for cooperatives to share experience and tips.

80. The Committee has been working to expand its membership to other organizations that promote cooperatives and creating a database of contacts from cooperatives around the world to build a network for information exchange and mutual support.

81. The Committee has participated in policy initiatives that affect cooperatives, such as the post-2015 development agenda, regularly monitoring developments in the negotiations and updating members.

82. The Committee serves as a resource for cooperative knowledge through information gathering and sharing, including by working to promote collaborative efforts among its members to further develop statistics on cooperatives. It is also conducting a research on women and cooperatives.

B. Cooperatives

1. International Cooperative Alliance

83. Following the International Year of Cooperatives, in 2012, the global cooperative movement adopted the "Blueprint for a cooperative decade",[20] a strategy for achieving an ambitious vision for cooperatives leading up to 2020. It envisions the acknowledgement of the cooperative business model as the leader in economic, social and environmental sustainability, the model preferred by many people and the fastest-growing form of enterprise. The strategy rests on five key pillars: participation, sustainability, identity, legal frameworks and capital.

84. In pursuit of the Blueprint vision, the cooperative movement has developed a global brand (the cooperative marque) and promoted the dot-coop top-level domain as tools for cooperative enterprises to use to unite themselves under a common identity. As of May 2015, there were 1,200 registered users of the marque in 96 countries.[21] Other initiatives at the global level include literature on governance, capital instruments for cooperatives, women in cooperative leadership and sustainable cooperative growth, as well as a set of guidance notes for expressing cooperative values and principles in contemporary terms.

2. World Farmers' Organization

85. The World Farmers' Organization, as an active member of the Committee, has promoted side events and policy formulation that can positively affect cooperative enterprises and the culture they represent.

86. The World Farmers' Organization General Assembly, held in Buenos Aires in March 2014, included a thematic session on value chains in which the fundamental role played by cooperative enterprises to promote sustainable development was highlighted. On the occasion of the International Day of Cooperatives in 2014, the Organization emphasized the key role of agricultural cooperatives in eradicating hunger and achieving world food security.

87. Representing the Farmers Major Group at the first session of the Preparatory Committee of the Third United Nations World Conference on Disaster Risk Reduction,

[20] Planning Work Group of the International Cooperative Alliance, "Blueprint for a cooperative decade" (University of Oxford, 2013).

[21] Domains.coop. 2015. Cooperative Marque register.

held in Sendai, Japan, from 14 to 18 March 2015, the Organization highlighted the role of agricultural cooperatives and farmers' organizations in contributing to recovery from and restoration after disasters as well as to food security in local communities.

VI. Conclusions and recommendations

88. Democratically governed, values-based, people-focused and locally rooted, cooperative enterprises have demonstrated leadership in sustainable development, a fact that was showcased during the International Year of Cooperatives. Cooperatives are particularly adept at tackling the challenges of the development agenda beyond 2015, given their inherent commitment to social, economic and environmental sustainability.

89. Cooperatives have affirmed their willingness to be key partners in development alongside the United Nations and other global institutions to empower people living in poverty, young people, women and girls, indigenous peoples, persons with disabilities and other vulnerable and marginalized groups. Cooperative enterprises contribute to social inclusion, decent work, sustainable economic growth, environmentally sound consumption and production and more peaceful and stable communities. They provide an example of how doing business can be economically viable, ethical, environmentally responsible and people-centred.

Recommendations

90. With a view to further promoting the growth of cooperatives in order to leverage their strengths for the achievement of sustainable development for all, the General Assembly might consider the following:

(a) **In the context of the implementation of the sustainable development goals and the contributions of cooperatives, the United Nations system should continue to support and promote the cooperative enterprise model by providing technical support and capacity-building to cooperatives and national Governments and by raising awareness of the cooperative enterprise model, including through supporting the cooperative movement to integrate the cooperative values, principles and business models into school curricula and other forms of educational programming;**

(b) **In collaboration with the United Nations and the cooperative movement, national Governments should review existing legislation concerning cooperatives, identify opportunities to make the legal environment more supportive of cooperatives and take action to improve existing legislation or pass new laws, especially in the areas of access to capital, competitiveness and fair taxation, to enable the growth of cooperatives;**

(c) **The United Nations, other international institutions and government authorities should contribute to and support the cooperative movement in the development and harmonization of data on cooperatives and the promotion and dissemination of evidence-based research on cooperative enterprises. Such support could take the form of a global effort to set a standardized statistical definition for cooperatives and to analyse the research available on cooperative enterprises for gaps and overlaps in information collection;**

(d) **Awareness of the links between cooperatives and sustainable development, especially social inclusion, employment creation, poverty eradication and peacebuilding, must be raised;**

(e) **Given its commitment to community development and shared prosperity, the United Nations system and national Governments should promote a greater understanding of the cooperative contribution to African development and support greater networking and capacity-building among cooperatives within Africa to maximize their growth and their contributions to social and economic development in the region. In that regard, cooperatives must address young people's needs, and must further support women and girls to become more prominent in the activities and leadership of cooperatives.**